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Condo Prices Rise After 3-Month Lull

By [Kelsi Maree Borland](#) | Los Angeles

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Condo prices in the Downtown market are averaging \$760 per square foot.

LOS ANGELES—Condo prices in Downtown Los Angeles are on the rise again, after a **three-month decrease** in pricing. In the months of March, April and May, condo prices fell by at least 1% monthly. In June, things turned around, with condo prices up 3% for the month and 14% year-over-year, according to a report from **the Mark Co.**

“Values in Downtown Los Angeles are fluctuating as buyers deal with scarce inventory and a wide range of asking prices. While new homes at Metropolis are listed for approximately \$1,000 per square foot, older stock built a few years ago can be found for nearly half that price,” **Erin Kennelly**, senior director of research at the Mark Co., tells GlobeSt.com. “Due to limited supply and strong demand for Downtown condominiums, the gap between resale prices and new construction towers such as Metropolis is likely to narrow to a more typical range of 10-15%.”

The condo-pricing index is at \$760 per square foot for the month of June. The price index is based on the cost of a 10th floor, 1,000-square-foot condo. The Mark Co. separately tracks penthouse prices, defined as a 1,000-

square-foot condo on the 30th floor. The penthouse-pricing index was \$1,230 per square foot for the month of June, also representing a 3% increase for the month.

The supply of resale condos was especially low in the month of June, with 91 active resales—only 2.2 months of inventory. The Mark Co. notes that a balanced market requires a six-month resale inventory.

There are a few major condo developments underway in the Downtown market, however, much of the new construction is for-rent units. Of the some 10,000-units under construction right now in the Downtown market, only about 2,000 of them are condos, according to a **recent report** from the **Downtown Center Business Improvement District**. As long as the supply for condo units continues to be constrained, condo prices will remain on an upward trajectory.

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About Our Columnist



Kelsi Maree Borland is a freelance writer and editor living in Los Angeles. Her work has appeared in publications such as *Travel + Leisure*, *Angeleno* and *Riviera Orange County*.

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